

Missouri Office of Information Technology

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| Requirement Definition and Software Development Tool Standard | Document Number: ITPS0001 |
| | Effective Date: Obsolete 10/13/2004 |
| | Published By: Office of Information Technology |

1.0 Purpose

The purpose of this standard is to combine FY '96 funds that agencies have already committed to spending with a large Social Services project requirement to leverage buying power that is more favorable to the state. This effort will be carried forward into other Fiscal Years

2.0 Scope

Determine the best approach to support mainframe development efforts across state agencies.

3.0 Background

In support of a very large federally funded project, the Department of Social Services required an additional \$1,500,000 in IEF software. Our strategy was to leverage the Social Services purchase into a more favorable TI contract for the entire state. By combining the FY '96 funds that each agency was already committed to spending on IEF with the large Social Services purchase, we were able to amend the contract to one which is much more favorable to the state.

4.0 References

- 4.1 September 1, 1995 Letter from CIO to Purchasing

5.0 Revision History

| Date | Description of Change |
|------------|---|
| 09/01/1995 | Original standard issued |
| 03/10/1997 | Changed to Computer Associates Composer product |
| 10/13/2004 | Rescinded Standard (Obsolete) |

6.0 Definitions

N/A

7.0 Inquiries

Direct inquiries about this document to:

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Requirement Definition and Software Development Tool Standard

IEF was named as the original State standard for Requirement Definition and Software Development. Computer Associates later acquired the product and the name was changes to **Composer**.

Composer is the current State standard for requirements Definition and Software Development



State of Missouri

Mel Carnahan
Governor

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Michael M. Benzen
Chief Information Officer

September 1, 1995

Karen Boeger
OA Purchasing
Truman Building, Room 580
Jefferson City, MO 65101

Dear Karen:

Attached you will find copies of the Texas Instruments Enterprise License Contract for the State of Missouri and the State's Contract Amendment. Also attached is a copy of the spreadsheet showing the amount to be paid by each agency. TI will be asked to invoice each agency for the amount shown on the spreadsheet. Through contract amendment, and through contract release, each agency will have the ability to process the payment.

As with most negotiations, there was not room at the "negotiations table" for all those affected. For this reason, a brief explanation of the process and outcome would be in order.

Strategy and Tactics:

In support of a very large federally funded project, the Department of Social Services required an additional \$1,500,000 in IEF software. Our strategy was to leverage the Social Services purchase into a more favorable TI contract for the entire state. By combining the FY '96 funds that each agency was already committed to spending on IEF with the large Social Services purchase, we were able to amend the TI contract to one which is much more favorable to the state.

What we gave:

We agreed to pay an additional \$1,500,000 over and above the \$1,500,000 committed by the Department of Social Services, giving a total contract cost of \$3,000,000. For the agencies participating, the amount agreed upon was close to the amount they had planned to expend on the product without the Enterprise License.

What we received:

The Enterprise State-Wide License gives us use of the Composer product line without additional user fees. With a cost of each desktop software package of \$18,000, this represents a substantial savings as we expand our use of the product.

On July 1, 1996 and 1997 we pay a flat fee of \$400,000 for maintenance. This will represent a savings of at least 30% from the rates now being paid, with greater savings as we use larger quantities of the IEF software. The contract ends June 30, 1998, and maintenance fees are then open to "negotiation", unless we agree to pay the GSA rate of 15%. I trust we will at that time "negotiate".

Of special interest:

As we negotiated with TI over the last couple of months, Many of us expected our current maintenance bill to be voided, with maintenance being paid a year from now with the flat fee. While we made a serious effort to negotiate this benefit, the reality was that we were asking for more than made sense for TI. If they failed to sell Missouri an enterprise license, they would receive the \$1,500,000 from Social Services for additional product, close to an additional \$1,500,000 from the rest of state government for additional product and \$338,000 in maintenance fees. Our offer was that we would pay the \$3,000,000, and in return we expected to receive an enterprise license, 250 days of consulting, fixed maintenance fees no matter the number of copies in use, and that they forgive the \$338,000 in maintenance that would come due during the year. In the end, we received everything but the maintenance fees, and as a result, everyone will pay the normal maintenance fees on products installed before the effective date of the enterprise agreement prorated through July 1, 1996.

New requirements:

Item 3.2 in the agreement requires the state to report the number of copies of each software product in use to TI on a quarterly basis. Larry Seneker in the Office of Information Technology will put together a mechanism for reporting (probably an E-mailed spreadsheet form), compile the individual agency reports and send the resulting report to TI.

Gerry Wethington and I will estimate the number of day's necessary for a state-wide ISP and set those days aside. The remainder of the consulting time will be assigned to the IEF Users Group, who will in turn schedule the consulting time allocated to departments with priority going to departments new to the IEF methodology. Those departments utilizing the consulting time will be responsible for the consultant's per diem expenses. The 250 days of consulting have dollar value and their usage will have to be recorded. Jan Grecian will be responsible for this procedure and will be creating a recording mechanism.

As a part of the contract, the state is to name persons authorized to make calls to the TI help-line. We are allowed one person as contact and one alternate for each 25 licenses, or fraction thereof, in an individual agency. The name of your contact person(s) and alternate(s) should be reported to Jan Grecian in OIT (526-7743), and she will in turn report the state list to TI.

Actions needed:

Due to the short time remaining to complete the process, you are requested to validate the dollar amount on the spreadsheet and have your agency prepare a SAM 553 for that amount. Then "walk" the SAM 553 through the Office of Administration's Division of Accounting. *The vendor's copy will need to be delivered to Jan Grecian at the Office of Information Technology by Thursday, September 14.* All agency vendor copies will be sent together to Ti with the state-wide license contract.

Credit due:

Negotiations began on this contract modification before the Office of Information Technology came into existence. A special thanks to Betty Rottmann and Gerry Wethington for their efforts. They recognized the opportunity presented by the large Social Services purchase and had the insight to leverage this purchase into a modification of the contract that benefits all agencies involved in the Composer effort. This contract modification would not have been possible had they not taken the initiative.

Sincerely,

Mike Benzen
Chief Information Officer

MB/jg